## NOTIFICATION. S88

No. L.D. 410—Legis. 5-52-23, Bangalore, dated 5th June 1952.

Ordered that Notification No. S.R.O. 896, dated 20th May 1952 of the Ministry of Commerce and Industry—The Cotton Seed (Forward Contracts Prohibition) Order, 1952 published in the *Gazette of India*, Part II, Section 3, dated the 20th May 1952, be republished in the *Mysore Gazette*, for general information.

By Order of His Highness the Maharaja,

N. R. JAYA RAO,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

## GOVERNMENT OF INDIA.

### MINISTRY OF COMMERCE AND INDUSTRY.

*New Delhi, the 20th May, 1952.*

*S.R.O. 896.*—Whereas it appears to the Central Government to be expedient for maintaining supplies of cotton seed and for securing their availability at fair prices to prohibit certain transactions therein;

Now, therefore, in exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946, (XXIV of 1946), the Central Government is pleased to make the following Order, namely:-

1. (1) This Order may be called the Cotton Seed (Forward Contracts Prohibition) Order, 1952.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on 22nd May 1952.

2. In this Order:—

(i) "contract" means a contract made or to be performed in whole or in part, in any State of India except the State of Jammu and Kashmir relating to the sale or purchase of cotton seed;

(ii) "Forward contract" means a contract for the delivery of cotton seed at some future date.

3. No person shall, after the 22nd May 1952 enter into any forward contract except the following contracts, namely:—

(i) Forward contracts of specific qualities or types and for specific delivery at a specified price, delivery orders, railway receipts

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or bills of lading against which contracts are not transferable to third parties;

(ii) Contracts for the delivery at some future date of cotton seeds to Government or any authorised officer of Government; and

(iii) Contracts which the Central Government may, by notification in the official Gazette, exclude from the provisions of this Order.

4. (1) Every forward contract outstanding at the close of business on the date specified in clause 3 shall be deemed to be closed out at the market rate applicable to the contract at the close of business on the said date for cotton seed.

(2) All differences arising out of any contract so deemed to be closed out shall be payable on the basis of the market rate as aforesaid and the seller shall not be bound to give delivery and the buyer shall not be bound to take delivery.

(3) Payment of all differences legally due from a member of an association to another member of such association in respect of any forward contract closed out under this clause shall be made to the clearing house of the association and for the purposes of calculating such differences, the market rate referred to in sub-clause (2) shall be deemed to be the settlement rate fixed by the associations under its bye-laws or other regulations which shall for the relevant purpose continue to have effect subject to the provisions of this order.

5. This supersedes the Cotton Seed (Forward Contracts Prohibition) Order, 1949, issued by the late Ministry of Commerce in Notification No. 58-TPC (1)/49, dated the 4th November 1949.

[No. 23 (13)-PC/51.]

C. R. NATESAN, Dy. Secy.